

**EXHIBIT XVI-5
NOTICE OF PAYROLL ACCOUNTS RECEIVABLE**

STATE OF CALIFORNIA, OFFICE OF THE CONTROLLER, DIVISION OF DISBURSEMENTS

NOTICE OF PAYROLL ACCOUNTS RECEIVABLE

OVERPAYMENT FOR A/R # 08990, CLEARANCE 3 39566 OF 08-19-19nn

----- AGENCY APPROPRIATION -----

FUND	AGY	FY	REF/ITM	FEDCATLG	CA	PG	EL	COM	TSK	ACCT/CODE	SOURCE
0001000	-0990	-19nn	-001	-000000000	-99	-	-	-	-	-000000000000	00000000

SOC. SEC. #	NAME OF EMPLOYEE	AGY.	UNIT	CLASS	SER.	POSITION NUMBER	PAY PER. T.MO.YR.	TIME WORKED DAYS	HOURS
535-36-9989	BROWN JA		990	120	3782	001	0-07-19nn	9	.00

SALARY TYPE	RATE	GROSS & STATE SHARE AMOUNTS TO BE TRANSFERRED PER FORM CD 62			
		TOTAL	GROSS		
1	\$3,570.00	\$1,763.59	\$1,460.45		

PAYMENT TYPE	RETIREMENT	OASDI	HB PREM	HB ADM
0	\$191.41	\$111.73	.00	\$.00

DIVISION OF DISBURSEMENTS WILL RECOVER EMPLOYEE DEDUCTIONS FOR

RETIREMENT	FEDERAL TAX	CA ST. TAX	OASDI	OTHER DED.
\$73.02	\$.00	\$.00	\$111.73	\$.00

\$1,275.70 TO BE RECOVERED FROM EMPLOYEE BY PAYROLL DEDUCTION

Use for A/R Document #

Use Pay Period to determine FY of A/R

Establish payroll A/R for total amounts shown in this section.

Amounts shown in this area will be transferred to the agency's appropriation by SCO from the Payroll Revolving Fund (ARnnnnnn)

Indicates amount to be recovered from employee and method of collection.

Regular Payroll Accounts Receivable Activities

Several activities are described in this section for regular Payroll Accounts Receivable. Each is discussed below:

Establish a Regular Payroll Accounts Receivable (GLA 1311) from SCO Notice of Payroll Accounts Receivable

Transaction Codes - TC 123 or TC 149.

Fiscal Year - Determined from the Pay Period on the Payroll A/R document.

Vendor Number - Required

Current Document Number - The Payroll A/R Number from the SCO Notice of Payroll Accounts Receivable in *A/Rnnnnn* format. Current Document Suffix should be **00** or agency convention.

Object Detail - Required. A Regular receivable is established for the amounts in the "Gross and State Share Amounts to be Transferred per Form CD 2" as follows:

- Gross pay (Object Detail **003**); and
- Retirement (Object Detail **106**); and
- OASDI (Object Detail **103**); and
- Health Benefits (Object Detail **105**).

Index and **PCA** - Required per Employee Master Table record or Payroll Warrant Register.

Source Code - Required. Use **580100**.

SCO Transfer of State Share from Payroll Revolving Fund (SCO Journal Entry ARnnnnnn)

Transaction codes - TC 455 and TC 455R

Current Document Number - SCO Transfer Journal Number, in *ARnnnnnn* format. Current Document Suffix should be **00** or agency convention.

Reference Document Number - The Payroll Accounts Receivable Number (*A/Rnnnnnn* format) that was previously established with the SCO Notice of Payroll Accounts Receivable.

Agency Collection of a Regular Payroll Accounts Receivable

Transaction Code - TC 140. Use a Document File report or the CALSTARS Document Shadow File for liquidation data elements.

Reverted Payroll Accounts Receivable Activities

Several activities are described in this section for Reverted Payroll Accounts Receivable. Each is described below:

Establish a Reverted Payroll Accounts Receivable (GLA 1319)

Transaction Codes - TC 468 or TC 467.

Current Document Number - The Payroll A/R Number from the SCO Notice in A/Rnnnnnn format. Current Document Suffix should be **00** or agency convention.

Fiscal Year - Determined from the Pay Period on the Payroll A/R document.

Vendor Number - Required

Index, PCA, Source and Object Detail - Leave blank.

Agency Collection of a Reverted Payroll Accounts Receivable

Transaction Codes - TC 469 + TC 107. TC 469 clears the A/R; TC 107 applies the cash. Both transactions are done at the same time.

Source Code - Required for TC 107. Use **570000**.

NOTE 1: Agencies may find it helpful to use the reverted PCA/Index on the TC 107 entry. These data elements will be needed later for the TC 132 entry.

NOTE 2: Agencies may also find it helpful to use the Vendor Number on the TC 107 entry. This data element will be needed for the remittance advice.

SCO Collection of a Reverted Payroll Accounts Receivable

Transaction Codes - TC 469 + TC 152 or TC 469R + TC 152R. TCs 469R and 152R are used to clear a negative Reverted Payroll A/R when the ARnnnnnn or APnnnnnn journal entry is a debit.)

Current Document Number - SCO Transfer Journal Number, in ARnnnnnn or APnnnnnn format. Current Document Suffix should be **00** or agency convention.

Reference Document Number - The Payroll Accounts Receivable Number (A/Rnnnnnn format) that was previously established with the SCO Notice of Payroll Accounts *Receivable*.

Write-off of a Reverted Payroll Accounts Receivable

Transaction Codes - TC 456 and TC 456R.

Reference Document Number - The Payroll Accounts Receivable Number (A/Rnnnnnn format, above).

Remitting a Reverted Payroll Accounts Receivable

Transaction Codes - TC 171 or TC 173.

Current Document Number - The Remittance Advice Number (RAnnnnnnn format).

Source Code - Required. Use **570000**.

Appropriation Symbol - Required. The H05 may be used for coding information.

Process the SCO Receipt of a Reverted Payroll A/R Remittance

Transaction Code - TC 172.

Current Document Number - SCO Receipt Number (CRnnnnnnn format).
Current Document Suffix is **00** or agency convention.

Reference Document Number - The Remittance Advice Number (RAnnnnnnn format).

Source Code - Required. Use **570000**.

Appropriation Symbol - Required. Use the Remittance transaction or the H05 Report.

See Exhibit XVI-8 for a sample of a completed CA-21 for Reverted Payroll Accounts Receivable. See Exhibit XVI-9 for a sample of a completed Std. 995A - Non-USPS-- Agency Collection Accounts Receivable.

ADVANCE COLLECTIONS PROCESSING

Cash received from revenue or reimbursements not yet earned must be recorded in GLA 3400-Advance Collections. After the revenue or reimbursement is earned, an entry is made crediting a revenue or reimbursement account and debiting GLA 3400.

Revenue is placed in the Advance Collections account if it is to be earned in a subsequent fiscal year. As of July 1, the Current Year revenue account is credited for the earned amount and the Advance Collections account is debited.

Reimbursements are placed in Advance Collections until they are earned. This may be before or after July 1. At the time the reimbursement is earned, reimbursements are credited and the Advance Collections account is debited.

Advance Collections may be remitted to the State Treasury.

The following chart provides specific instructions for completing the Form CA-21. See Exhibit XVI-18 for a sample of a completed CA-21 for Advance Collections.

Item	Description
FY	Enter the Fiscal Year to which the remittance applies. Leave blank if the remittance applies to the subsequent Fiscal Year.
AGY	<u>Leave Agency Code blank.</u> (See REV/OBJ, below.)
REF/ITEM	Leave blank.
ACCT	Enter the 4-digit General Ledger Account Code <ul style="list-style-type: none"> • 3410 - Revenue • 3420 - Reimbursements • 3430 - Operating Revenue
REV/OBJ	Enter the 6-digit Source code: <ul style="list-style-type: none"> • The Organization Code (<i>nnnn</i>); and, • 00 in the last 2 positions. (Example Organization 4455 = 445500)
AMOUNT	Enter the amount.
DESCRIPTION	Enter one of the following, as appropriate: <ul style="list-style-type: none"> • Revenue collected in advance; • Reimbursements collected in advance; or • Operating Revenue collected in advance.

OTHER CASH ACTIVITIES

Some unique cash receipt activities require specific processes for their handling and recording. These activities are described below.

Uncleared Collections

Receipts are recorded as Uncleared Collections when:

- ✧ The purpose of the receipt cannot be determined; or,
- ✧ The cash is to be refunded to the payer; or,
- ✧ An employee's payroll warrant is to be split between a "balance due" check to the employee and the issuance of a Payroll Accounts Receivable.

A fund, usually General Fund, must be used to record the entry in CALSTARS. If a refund is anticipated, a Vendor Number or name should be used. Funding source is not necessary. Appropriation Symbol, PCA, Index, Object Detail and Source should not be used.

Uncleared Collections are cleared by returning the funds to the payor or liquidating the entry (using a different transaction code) and reposting the receipt as a revenue, reimbursement, abatement, etc.

The transactions for Uncleared Collections are:

Description	TC	Debit	Credit
Receipt of cash	108	1110	3730
Reverse receipt; and/or apply cash to reimbursements, revenue, abatements, etc.	170 and nnn	3730 1110	1110 nnnn
Refund cash	438 or 289	3730	1110

Uncleared Collections are not remitted to the State Treasury.

Liabilities for Deposits

GLA 3500-Liabilities for Deposits is an account to hold cash, including guarantee deposits, sometimes for an indefinite period of time. An example of a guarantee deposit is the \$5.00 collected for each key to a state-owned house. Deposits are non-billed. Deposits may be recorded in GLA 1110-General Cash, GLA 1120-Agency Trust Fund Cash or GLA 1140-Cash in State Treasury. An example of the most common type of deposit account is Unclaimed Trust in Fund 0942, Special Deposit Fund.

Stale Dated Revolving Fund And General Cash Checks

The State's procedures for stale dated checks changed as of January 1, 1998. Revolving Fund and General Cash checks are considered stale dated if not cashed after one year. Agencies should review their K01 Report/Bank Reconciliation monthly and use the following procedures for stale dated checks.

Stale dated checks are canceled and remitted as escheat revenue in the fund from which they were drawn. The agency should send a stop payment notice to the State Treasurer's Office timed to arrive at the office at least one week prior to the end of the one-year period. This will prevent the payee from subsequently cashing the check.

Revolving Fund Checks

ORF advance checks which have not been cashed and were not scheduled for reimbursement through SCO can be canceled in CALSTARS. Use the original posting on the document file and refer to Volume 5 for the appropriate TC. ORF advance checks for travel claims or expense advances which have been reimbursed by the SCO must be remitted to the fund from which the warrant was drawn .

1. Cancel the stale dated Revolving Fund checks and write a check from the Revolving Fund payable to the State Treasurer's Office.

- a. TC 877 - To cancel stale dated Revolving checks (Fund 0998).
Dr 1130 Revolving Fund Cash
Cr 3110 Due to Other Funds (Subsidiary *nnnn*0000)

AND

- b. TC 418/421 - To record the check from ORF (Fund 0998) to the fund from which the ORF reimbursement warrant was drawn.
Dr 3110 Due to Other Funds (Subsidiary *nnnn*0000)
Cr 1130 Revolving Fund Cash

NOTE: In 1.a. and 1.b., above, the first four digits (*nnnn*) of the subsidiary should be the fund from which the ORF reimbursement warrant check was drawn.

If the OC Table Checkfile Indicator is set to **Y**:

- c. Reconcile the stale dated checks off of the check file using Command **A.2**.